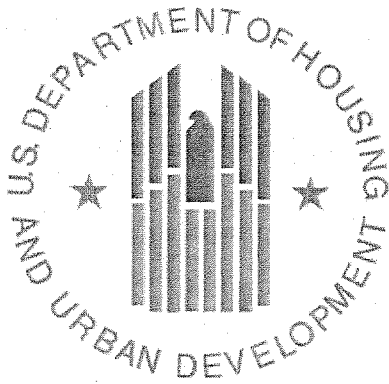


U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Disaster Recovery

“What does HUD offer to victims of disasters in need of housing?”

People needing to rent housing may get assistance from HUD's National Housing Locator System. This data base provides information on available housing by location, [*in the immediate area; within the region; or elsewhere nationally*]; number of bedrooms needed; and rent levels. HUD staff and participating public housing agencies will assist disaster victims in obtaining information on available rental units.

For *individuals personally affected* by a disaster and requiring permanent housing assistance, HUD offers –

- **Section 203(h) of the National Housing Act.** Under this special mortgage insurance program, individuals or families whose residence was destroyed or damaged to such an extent that reconstruction or replacement is necessary are eligible for 100 percent financing. Insured mortgages may be used to finance the purchase or reconstruction of a one-family home that will be the principal residence of the homeowner. Section 203(h) offers features that make homeownership easier –

--No down payment is required.

--The borrower is eligible for 100 percent financing.

--Closing costs and prepaid expenses must be paid by the borrower in cash or paid through premium pricing or by the seller, subject to a 6 percent limitation on seller concessions.

--Some fees are limited. Loan origination fee may not exceed 1 %.

Eligible Participants: FHA-approved lending institutions, such as banks and mortgage companies are eligible for Section 203(h) insurance.

Application: The borrower's application for mortgage insurance must be submitted to the lender within one year of the President's disaster declaration. Applications are made through an FHA-approved lending institution.

- **Section 203(k) of the National Housing Act.** Under this mortgage insurance program, homebuyers may borrow funds from lenders, to purchase or refinance a house that also requires repair, rehabilitation or modernization. A portion of the loan proceeds is used to pay the seller, or, if a refinance, to pay off the existing mortgage. The cost of the rehabilitation must be at least \$5,000, but the total value of the property must still fall within the FHA mortgage limit for the area. Section 203(k) borrowers do not pay an upfront mortgage premium.

Eligible Participants: FHA-approved lending institutions, such as banks and mortgage companies.

Eligible Customers: All persons who can make monthly mortgage payments.

- **Section 203(k) "Streamline Program."** The Limited Repair Program permits homebuyers to finance an additional \$35,000 into their existing mortgage to improve or upgrade their home before move-in.
- **Property Improvement Loan Insurance (Title I).** The Title I program insures loans for up to 20 years, to finance the light or moderate rehabilitation of properties, as well as the construction of nonresidential buildings on the property. The maximum loan amount is \$25,000 (for single family or nonresidential buildings, and \$12,000 per family unit, not to exceed a total of \$60,000 for a multifamily structure. These are fixed-rate loans whose interest rates are not subsidized by HUD.

Eligible Lenders: Only lenders approved by HUD specifically for this program can make loans covered by Title I Insurance.

Application: Applications must be submitted to a Title I approved lender.

- **HUD Real Estate Owned (REO) Properties.** HUD sells single family homes that it has foreclosed on. People interested in buying a HUD-home in their general area must contact a real estate sales professional who is authorized to sell HUD homes (most are). Your sales professional will submit a bid for you. For properties outside of a prospective buyer's area, consult the HUD web-site: <http://www.hud.gov/homes/index.cfm>. A real estate sales professional is still needed to offer a bid on any property.
- **Public Housing.** People displaced by a disaster may find temporary or permanent housing in vacant properties owned by public housing authorities (PHA). Disaster victims must be income-eligible (low income) and PHAs must be willing to give priority to disaster victims. HUD Disaster Volunteers may locate vacant PHA units using the National Housing Locator System. A directory of PHAs may be found at HUD's web site at: <http://www.hud.gov/offices/pih/pha/contacts/index.cfm>.
- **Community Development Block Grant (CDBG).** HUD funds States and local governments with annual CDBG grants that may be used to provide loans or grants to rehabilitate residential buildings damaged by a disaster. Some local governments receive annual grants directly from HUD. State governments also receive annual grants that may be used to fund smaller local governments. CDBG recipients may be found at the following HUD web site: http://www.comcon.org/programs/contact_cdbg.html.
- **HOME Investment Partnerships Program.** HUD funds States and local governments with annual HOME grants that may be used to provide loans or grants to: buy housing; rehabilitate disaster buildings; build new housing; or provide short-term tenant-based rental assistance. HOME funding distribution is similar to CDBG. HOME participating jurisdictions may be found at the following HUD web site: <http://www.hud.gov/offices/cpd/affordablehousingprograms/programs/home/contacts/>.

For more information on HUD programs, call your HUD Field Office at: Office Director Rebecca Flanagan, (602) 379-7109 or Regional Disaster Coordinator, Gary DeYulia, (415) 320-4454